e-trak Voluntary Disclosure Program (e-trak VDP) – Privacy Impact Assessment (PIA)

PIA Approval Date: December 17, 2009

System Overview

The electronic Voluntary Disclosure Program will provide the Large Mid Size Business organization with the flexibility it requires to store, retrieve, update, and track taxpayer data relative to Voluntary Disclosure information of international offshore transactions. Upon account establishment, cases will be assigned to Revenue Officers, Agents, and Examiners in the field to follow-up with taxpayers to obtain background and financial data concerning a taxpayer's offshore transactions with the emphasis on detecting unreported income.

System of Records Numbers (SORN)

- Treas/IRS 42.021 – Compliance Programs and Project Files
- Treas/IRS 42.001 – Exam Administrative File
- Treas/IRS 42.017 – International Enforcement Program Files
- Treas/IRS 34.037 – IRS Audit Trail and Security Records System
- Treas/IRS 42.031– Anti-Money Laundering /Bank Secrecy Act (BSA) and Form

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer

- Name (First, MI, Last)
- Taxpayer Identification Number (TIN) – SSN/EIN
- Date of Birth
- Address, City, State, Zip
- Country
- Phone Number
- Fax
- Taxpayer Power of Attorney (POA Name, CAF Number, Type, Firm Name, Address, City, State, Zip, Country, Phone)
- Bank Promoter (Name, Address, City, State, Zip, Country, Phone)
- Bank Professionals (Name, Address, City, State, Zip, Country, Phone)
- Source Funds (Type, Name, EIN, Address, City, State, Zip, Country, Relationship to TP)
- Taxpayer Foreign Accounts (Institution Name, Type, Address, City, State, Zip, Country, Phone, Account Type, Names on Account, Advisor Name, Entity Type, Account Opened How, Date Account Open/Closed, Money Went Where, Money/Financial Institution Money Moved To, Account Balances for Tax Years 2002-2008)
- Taxpayer Foreign Entities (Entity Name, Type, Address, City, State, Zip, Country, Relationship to Taxpayer)
- Assets (Non-cash dollar values for Tax Years 2002-2008)
- Taxpayer Return Adjustment values for Tax Years 2002-2008

B. Employee – data is entered into e-trak VDP Module by a member of the VDP Office. The system is password protected, and is only seen by personnel on a need to know basis.

- Employee/Analysts name – first, middle, last
- Employee SEID #
- Date – assigned to case.

C. Audit Trail Information
- Audit Type
- Time
- Account Name
- Data Object
- Table Name
- Tracking ID
- Message

The audit trail assures that those who use e-VDP Module only have permission to view and use the modules their role allows. The SA prepares and reviews monitoring reports based on Identity Theft Incident Mgts (ITIM) established timeframes.

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS – Upon account establishment, cases will be assigned to Revenue Officers, Agents, and Examiners in the field to follow-up with taxpayers to obtain background and financial data concerning a taxpayer's offshore transactions with the emphasis on detecting unreported income.

B. Taxpayer – Taxpayer data is received via secure (encrypted) e-mail from the Criminal Investigations organization within the IRS. Taxpayer data in the system includes SSN/EIN, DOB, Last Name, First Name, Middle Initial, Address, Phone Number, City, State, Zip, and Country.

C. Employee – Only e-trak VDP users, authorized to access e-trak VDP, will log into system using their unique User ID and Password.

3. Is each data item required for the business purpose of the system? Explain.
Yes. All data collected is required for administering the collection of unreported income from offshore taxpayer income as mandated by the IRS. The data that is collected will be information that facilitates the identification of financial information to determine tax owed.

4. How will each data item be verified for accuracy, timeliness, and completeness?
Users access the e-trak VDP Module by authenticating at a login screen using their unique User ID and Password. Users must enter accurate credentials before access is granted to the system.

The SA prepares and reviews monitoring reports based on ITIMs established timeframes to validate/verify data.

5. Is there another source for the data? Explain how that source is or is not used.
No.

6. Generally, how will data be retrieved by the user?
Users access the e-trak VDP Module using LDAP (Lightweight Directory Access Protocol) authentication. Only authorized users can access e-trak VDP Module and users can only retrieve or handle data based on their assigned user roles.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. After logging into the e-trak VDP Module, users are able to access records from the following fields:

- Taxpayer Name (First, MI, Last)
- Taxpayer Identification Number (TIN)
- Examiner
- Power of Attorney
- Bank Promoter
- Bank Professionals
- Source Funds
- Taxpayer Foreign Accounts
- Account Balances
- Taxpayer Foreign Entities
- Offshore Voluntary Disclosure
- Assets
- Taxpayer Return Adjustment values for Tax Years 2002-2008

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?
The primary users of e-VDP Module include IRS Examiners, Business Owner, Case Builder and System Administrator.

This application does not allow access by the public. Only authorized users are granted authorization to e-trak VDP Module through the On-Line 5081 process.

The only maintenance personnel authorized to perform maintenance on e-trak VDP Module are the Administrators. There are no contractor users of the system.

System Level:

- **Role:** System Administrator
- **Privileges:** view records, execute SQL queries, view audit data, add users Assigning permissions, review list of accounts.

Application Level:

- **Role:** Administrator
- **Privileges:** Administer System
  DBA Access

- **Role:** Examiner
- **Privileges:** Generate User Reports, Create, Add, Edit, Delete, View & Process Cases, Search Cases

- **Role:** VDP Business Owner
- **Privileges:** Generate User Reports, Create, Add, Edit, Delete, View & Process Cases, Search Cases

- **Role:** Case Builder
- **Privileges:** Generate User Reports
  Create, Add, Edit, View & Process Cases, Search Cases

9. How is access to the data by a user determined and by whom?
Access to e-trak VDP Module is determined by submitting an On-Line 5081 and receiving authorization from the user's approval
manager.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
No.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
N/A

12. Will other agencies provide, receive, or share data in any form with this system?
No.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
A request for records disposition authority for e-trak (including application modules Whistleblower, LATIS, GARNISH, Correspondence and VDP) and associated records is currently being drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for e-trak inputs, system data, outputs and system documentation will be published in IRM 1.15, exact Records Control Schedule and item number to be determined.

14. Will this system use technology in a new way?
No.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
No.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
No.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
No. e-trak VDP Module does not have the capability to make any negative determinations.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?
No, upon logging into e-trak a session cookie is created. The session cookie is eliminated once the web user ends his/her session and exits out of the web browser. Persistent cookies are not administered by this system.

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